

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

SEARS HOLDINGS CORPORATION, *et al.*,

Debtors.¹

Chapter 11

Case No. 18-23538 (RDD)

(Jointly Administered)

**THIRTIETH MONTHLY FEE STATEMENT OF FTI CONSULTING, INC. FOR
COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF
EXPENSES INCURRED AS FINANCIAL ADVISOR TO THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS FOR THE PERIOD FROM
OCTOBER 1, 2021 THROUGH OCTOBER 31, 2021**

Name of Applicant:

FTI Consulting, Inc.

Authorized to provide Professional Services
to:

Official Committee of Unsecured Creditors

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

Date of Retention: December 19, 2018, *nunc pro tunc* to
October 25, 2018

Period for which compensation and
reimbursement is sought: October 1, 2021 through October 31,
2021

Monthly Fees Incurred: \$76,719.50

Monthly Expenses Incurred: \$0.00

Total Fees and Expenses: \$76,719.50

This is a: X monthly _____ interim _____ final application

This statement (the “**Fee Statement**”) of FTI Consulting, Inc. (together with its wholly owned subsidiaries and independent contractors, “**FTI**”) as financial advisor to the Official Committee of Unsecured Creditors of Sears Holdings Corporation, *et al.* (the “**Committee**”) is submitted in accordance with the *Order Authorizing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [ECF No.796] entered on November 16, 2018, (the “**Order**”). In support of this Fee Statement, FTI respectfully states as follows.

1. The fees and expenses for the period from October 1, 2021 through and including October 31, 2021 (the “**Thirtieth Fee Period**”) amount to:

Professional Fees	\$76,719.50
Expenses	<u>0.00</u>
TOTAL	<u>\$76,719.50</u>

2. In accordance with the Order, if no timely and proper objection is made by a party-in-interest within fifteen (15) days after service of this Fee Statement, the Debtors are authorized to pay 80% of professional fees and 100% of out-of-pocket expenses. These amounts are presented below.

Professional Fees at 80%	\$61,375.60
Expenses at 100%	<u>0.00</u>
TOTAL	<u>\$61,375.60</u>

3. The professionals providing services, hourly billing rates, the aggregate hours worked by each professional, and the aggregate hourly fees for each professional during the Thirtieth Fee Period are set forth on the schedule annexed hereto as **Exhibit “A.”**

4. A summary of aggregate hours worked and aggregate hourly fees for each task code during the Thirtieth Fee Period is set forth on the schedule annexed hereto as **Exhibit “B.”**

5. Detailed time entry by task code during the Thirtieth Fee Period is set forth on the schedule annexed hereto as **Exhibit “C.”**

6. A summary of expenses incurred during the Thirtieth Fee Period is set forth on the schedule annexed hereto as **Exhibit “D.”**

7. Detailed breakdown of the expenses incurred during the Thirtieth Fee Period is set forth on the schedule annexed hereto as **Exhibit “E.”**

8. FTI reserves the right to request, in subsequent fee statements and applications, any fees and reimbursement of any additional expenses incurred during the Thirtieth Fee Period, as such fees and expenses may not have been captured to date in FTI’s billing system.

NOTICE AND OBJECTION PROCEDURES

9. Notice of this Fee Statement shall be given by hand or overnight delivery or email where available upon (i) Sears Holdings Corporation, 3333 Beverly Road, Hoffman Estates, Illinois 60179, Attention: Mohsin Y. Meghji (email: mmeghji@miiipartners.com); (ii) counsel to the Debtors, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153, Attention: Ray C. Schrock (email: ray.schrock@weil.com), Jacqueline Marcus (email: jacqueline.marcus@weil.com), Garrett A. Fail (email: garrett.fail@weil.com), and Sunny Singh (email: sunny.singh@weil.com); (iii) William K. Harrington, the United States Trustee, U.S. Federal Office Building, 201 Varick Street, Suite 1006, New York, NY 10014, Attention: Paul Schwartzberg (e-mail: paul.schwartzberg@usdoj.gov) and Richard Morrissey (e-mail: richard.morrissey@usdoj.gov); and (iv) counsel to Bank of America, N.A., Skadden, Arps, Slate, Meagher & Flom LLP, 4 Times Square, New York, NY 10036, Attention: Paul D. Leake (email: paul.leake@skadden.com), Shana A. Elberg (email: shana.elberg@skadden.com) and George R. Howard (email: george.howard@skadden.com); (v) Paul E. Harner, fee examiner, 1675 Broadway, New York, NY 10019 (email: harnerp@ballardspahr.com); and (vi) counsel to the fee examiner, Ballard Spahr LLP, 1675 Broadway, New York, NY 10019, Attention: Vincent J. Marriott (email: marriott@ballardspahr.com) and Tobey M. Daluz (email: daluzt@ballardspahr.com) (collectively, the “Notice Parties”).

10. Objections to this Fee Statement, if any, must be filed with the Court and served upon the Notice Parties so as to be received no later than December 16, 2021 (the “Objection Deadline”), setting forth the nature of the objection and the amount of fees or expenses at issue (an “Objection”).

11. If no objections to this Fee Statement are filed and served as set forth above, the Debtors shall promptly pay eighty percent (80%) of the fees and one hundred percent (100%) of the expenses identified herein.

12. If an objection to this Fee Statement is received on or before the Objection Deadline, the Debtors shall withhold payment of that portion of this Fee Statement to which the objection is directed and promptly pay the remainder of the fees and disbursements in the percentages set forth above. To the extent such an objection is not resolved, it shall be preserved and scheduled for consideration at the next interim fee application hearing to be heard by the Court.

Dated: New York, New York
December 1, 2021

FTI CONSULTING, INC.
Financial Advisors to the Official Committee of
Unsecured Creditors of Sears Holdings Corporation

By: /s/ Matthew Diaz
Matthew Diaz, Senior Managing Director
Three Times Square, 10th Floor
New York, New York 10036
Telephone: (212) 499-3611
Email: matt.diaz@fticonsulting.com

EXHIBIT A

SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538

SUMMARY OF HOURS BY PROFESSIONAL

FOR THE PERIOD OCTOBER 1, 2021 TO OCTOBER 31, 2021

Professional	Position	Specialty	Billing Rate	Total Hours	Total Fees
Star, Samuel	Sr Managing Dir	Restructuring	1,165	0.3	349.50
Diaz, Matthew	Sr Managing Dir	Restructuring	1,120	9.6	10,752.00
Eisler, Marshall	Managing Director	Restructuring	885	25.4	22,479.00
Shapiro, Jill	Sr Consultant	Restructuring	580	57.4	33,292.00
Lampert, Grace	Consultant	Restructuring	430	22.9	9,847.00
TOTAL				115.6	\$ 76,719.50

EXHIBIT B

SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538

SUMMARY OF HOURS BY TASK

FOR THE PERIOD OCTOBER 1, 2021 TO OCTOBER 31, 2021

Task Code	Task Description	Total Hours	Total Fees
1	Current Operating Results & Events	5.2	\$ 4,278.00
3	Financing Matters (DIP, Exit, Other)	73.8	\$ 52,849.00
17	Wind Down Monitoring	0.9	522.00
18	Potential Avoidance Actions & Litigation	35.7	19,070.50
TOTAL		115.6	\$76,719.50

EXHIBIT C

SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538

DETAIL OF TIME ENTRIES

FOR THE PERIOD OCTOBER 1, 2021 TO OCTOBER 31, 2021

Task Category	Date	Professional	Hours	Activity
1	10/8/2021	Eisler, Marshall	0.8	Correspond with Debtors re: litigation funding.
1	10/12/2021	Shapiro, Jill	0.5	Participate in call with Debtors re: litigation funding.
1	10/12/2021	Eisler, Marshall	0.5	Participate in call with Debtors re: litigation funding.
1	10/12/2021	Eisler, Marshall	0.5	Participate in call with counsel re: Debtors cash flow update report.
1	10/12/2021	Shapiro, Jill	0.5	Participate in call with counsel re: Debtors cash flow update report.
1	10/13/2021	Shapiro, Jill	0.8	Prepare updates re: Debtors' cash flow assumptions.
1	10/13/2021	Eisler, Marshall	0.7	Respond to diligence questions arising from Debtors' cash flow.
1	10/14/2021	Diaz, Matthew	0.6	Review the updated cash flow report.
1	10/21/2021	Star, Samuel	0.3	Review October status report.
1 Total			5.2	
3	10/1/2021	Shapiro, Jill	2.8	Prepare materials re: litigation funding.
3	10/1/2021	Shapiro, Jill	1.4	Prepare materials re: litigation funding for administrative representative.
3	10/1/2021	Eisler, Marshall	1.9	Update litigation funding materials.
3	10/3/2021	Shapiro, Jill	0.5	Prepare materials re: litigation funding.
3	10/4/2021	Shapiro, Jill	0.1	Participate in call with counsel re: litigation funding.
3	10/4/2021	Shapiro, Jill	1.9	Prepare report for administrative representative re: litigation funding.
3	10/4/2021	Shapiro, Jill	1.7	Prepare materials re: litigation funding.
3	10/5/2021	Diaz, Matthew	0.6	Review the updated litigation funding materials.
3	10/5/2021	Shapiro, Jill	3.4	Update materials re: litigation funding.
3	10/5/2021	Eisler, Marshall	1.8	Correspond with counsel re: presentation to Designees on case issues.
3	10/6/2021	Diaz, Matthew	0.7	Review the updated litigation funding materials.
3	10/6/2021	Shapiro, Jill	0.2	Prepare materials re: litigation funding.
3	10/6/2021	Eisler, Marshall	1.9	Provide analysis in response to Designee questions.
3	10/7/2021	Shapiro, Jill	2.0	Prepare report for the administrative representative.
3	10/7/2021	Shapiro, Jill	0.9	Prepare materials re: litigation funding analysis.
3	10/7/2021	Eisler, Marshall	1.4	Provide comments to presentation for administrative representative re: status update.
3	10/8/2021	Diaz, Matthew	1.1	Review the litigation funding materials for the administrative representative.
3	10/8/2021	Shapiro, Jill	0.7	Prepare materials re: litigation funding.
3	10/8/2021	Shapiro, Jill	0.9	Update deck for the administrative representative.
3	10/8/2021	Shapiro, Jill	1.2	Prepare litigation funding materials.
3	10/8/2021	Shapiro, Jill	0.7	Prepare materials for designee update deck.
3	10/8/2021	Eisler, Marshall	1.3	Review updated presentation to the Designee re: update on case issues.
3	10/9/2021	Eisler, Marshall	1.9	Provide comments to presentation for administrative representative re: status update.
3	10/10/2021	Shapiro, Jill	2.6	Update materials for the administrative representative.
3	10/10/2021	Eisler, Marshall	1.9	Update presentation for administrative representative re: case update.
3	10/11/2021	Diaz, Matthew	0.9	Review the litigation funding materials.
3	10/11/2021	Shapiro, Jill	3.7	Update materials re: litigation funding.
3	10/11/2021	Eisler, Marshall	2.1	Update presentation for administrative representative re: case update.
3	10/12/2021	Diaz, Matthew	1.1	Review the litigation funding materials.
3	10/12/2021	Shapiro, Jill	0.3	Update materials re: litigation funding.
3	10/12/2021	Shapiro, Jill	1.0	Update litigation funding materials.
3	10/12/2021	Shapiro, Jill	3.8	Update litigation funding materials.
3	10/13/2021	Eisler, Marshall	0.5	Participate on pre-effective committee call.
3	10/13/2021	Shapiro, Jill	0.5	Participate on pre-effective committee call.
3	10/13/2021	Diaz, Matthew	0.9	Review the updated litigation funding materials.
3	10/13/2021	Shapiro, Jill	3.7	Update litigation funding materials.
3	10/13/2021	Shapiro, Jill	1.4	Prepare litigation funding materials.
3	10/13/2021	Shapiro, Jill	0.8	Update litigation funding materials.

EXHIBIT C

SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538

DETAIL OF TIME ENTRIES

FOR THE PERIOD OCTOBER 1, 2021 TO OCTOBER 31, 2021

Task Category	Date	Professional	Hours	Activity
3	10/13/2021	Eisler, Marshall	0.4	Prepare for pre-effective date committee call.
3	10/14/2021	Diaz, Matthew	1.5	Review the updated litigation funding materials.
3	10/14/2021	Shapiro, Jill	3.1	Update materials re: litigation funding.
3	10/14/2021	Shapiro, Jill	0.7	Review key issues re: litigation funding.
3	10/14/2021	Shapiro, Jill	0.4	Prepare materials re: litigation funding.
3	10/14/2021	Shapiro, Jill	0.5	Update materials re: litigation funding.
3	10/14/2021	Eisler, Marshall	0.8	Incorporate comments on presentation to administrative representative re: case update.
3	10/14/2021	Eisler, Marshall	1.1	Review materials re: litigation funding.
3	10/15/2021	Diaz, Matthew	0.6	Participate in pre-call with counsel in preparation for call with administrative representative.
3	10/15/2021	Shapiro, Jill	0.6	Participate in pre-call with counsel in preparation for call with administrative representative.
3	10/15/2021	Shapiro, Jill	0.4	Update litigation funding materials.
3	10/18/2021	Shapiro, Jill	3.0	Prepare materials re: litigation funding.
3	10/19/2021	Diaz, Matthew	0.6	Review the updated litigation funding materials.
3	10/19/2021	Shapiro, Jill	1.3	Update materials re: litigation funding.
3	10/20/2021	Shapiro, Jill	0.3	Update materials re: litigation funding.
3	10/21/2021	Diaz, Matthew	1.0	Participate in a call with the administrative representative to discuss the go forward financing.
3	10/21/2021	Shapiro, Jill	1.0	Participate in a call with the administrative representative to discuss the go forward financing.
3	10/26/2021	Shapiro, Jill	0.3	Review draft term sheet.
3 Total			73.8	
17	10/7/2021	Shapiro, Jill	0.9	Participate on call with M-III re: preferences and provide update to team.
17 Total			0.9	
18	10/1/2021	Lampert, Grace	3.1	Review various motions and orders to understand litigation background.
18	10/1/2021	Eisler, Marshall	0.9	Review litigation defendant analysis.
18	10/1/2021	Shapiro, Jill	1.3	Prepare historical transaction analysis.
18	10/4/2021	Shapiro, Jill	2.2	Prepare analysis re: litigation defendants historical holdings.
18	10/5/2021	Lampert, Grace	0.5	Prepare historical transaction analysis.
18	10/5/2021	Shapiro, Jill	0.5	Review historical transaction analysis.
18	10/5/2021	Lampert, Grace	1.2	Research Sears litigation status and background.
18	10/5/2021	Lampert, Grace	1.8	Prepare litigation defendant analysis.
18	10/5/2021	Eisler, Marshall	0.4	Correspond with counsel re: insider transactions.
18	10/6/2021	Lampert, Grace	2.7	Review source documents in connection with defendant analysis.
18	10/7/2021	Lampert, Grace	0.8	Update historical transaction deck.
18	10/7/2021	Shapiro, Jill	0.8	Provide comments to historical transaction deck.
18	10/7/2021	Lampert, Grace	2.8	Prepare analysis in connection with defendant analysis.
18	10/7/2021	Lampert, Grace	3.1	Update analysis in connection with defendant analysis.
18	10/7/2021	Shapiro, Jill	0.2	Review historical transaction analysis.
18	10/8/2021	Lampert, Grace	0.3	Prepare additional updates to defendant analysis.
18	10/8/2021	Shapiro, Jill	0.3	Revise historical defendant analysis.
18	10/8/2021	Lampert, Grace	3.4	Prepare updates to analysis in connection with defendant analysis.
18	10/8/2021	Eisler, Marshall	0.7	Correspond with counsel re: insider transactions.
18	10/8/2021	Shapiro, Jill	0.3	Update report re: historical transaction analysis.
18	10/8/2021	Shapiro, Jill	0.4	Prepare historical transaction analysis.
18	10/11/2021	Eisler, Marshall	1.9	Review materials re: litigation funding.
18	10/12/2021	Eisler, Marshall	1.1	Review litigation defendant analysis.
18	10/13/2021	Eisler, Marshall	0.9	Correspond with Akin re: litigation financing.

EXHIBIT C

SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538

DETAIL OF TIME ENTRIES

FOR THE PERIOD OCTOBER 1, 2021 TO OCTOBER 31, 2021

Task Category	Date	Professional	Hours	Activity
18	10/25/2021	Shapiro, Jill	0.5	Participate on call with Akin re: historical defendants analysis.
18	10/27/2021	Lampert, Grace	0.4	Prepare workplan for defendant analysis.
18	10/27/2021	Shapiro, Jill	0.4	Review and update workplan for defendant analysis.
18	10/27/2021	Lampert, Grace	2.8	Update workplan re: litigation defendant analysis.
18 Total			35.7	
Grand Total			115.6	

EXHIBIT D

SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538

SUMMARY OF EXPENSES

FOR THE PERIOD OCTOBER 1, 2021 TO OCTOBER 31, 2021

Expense Type	Amount
---------------------	---------------

Not Applicable in this month.

EXHIBIT E**SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538****EXPENSE DETAIL****FOR THE PERIOD OCTOBER 1, 2021 TO OCTOBER 31, 2021**

Date	Professional	Expense Type	Expense Detail	Amount
Not Applicable in this month.				